

**NEED AND DEMAND ANALYSIS**  
**FOR THE RETREAT AT**  
**DORSEY MANOR APARTMENTS**  
**IN**  
**MARIETTA, GEORGIA**

Application 2007-024

**Prepared for the**  
**Georgia Department of Community Affairs**  
**Office of Affordable Housing**

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## **INTRODUCTION**

This report presents the findings of an analysis of the need and demand for the Retreat at Dorsey Manor apartments in Marietta, Georgia. A total of 72 units are to be developed: a mix of 50 one-bedroom units, and 22 two-bedroom units. Of the total, 50 units will be targeted to households whose incomes qualify their apartments for tax credit status, and 22 units will be unrestricted, market-rate, units. The units will be designated for the elderly.

The study is based on data from official sources such as the United States Census and from other federal, state, and local sources. The site of the proposed apartments was visited. In addition, interviews are held with persons with particular knowledge pertinent to the study.

This report is prepared for use as part of an application to the Georgia Department of Community Affairs for an allocation of 2007 low income housing tax credits. The contents and format of the report are prepared in accordance with that agency's guidelines.

The findings of this study are predicated upon the assumption that the proposed development will be located at the site described in the report, that it will be funded through the program under which it was prepared and within the stated projection period. Further, the findings are based on the assumption that once funded, the complex will be well-designed, well-marketed and professionally managed.

To the best of our knowledge, this report is an accurate representation of market conditions. While due care and professional housing market study techniques were used, no guarantee is made of the findings.

## EXECUTIVE SUMMARY

The following provides a summary of the market analysis, and is based on the Georgia DCA market study guidelines.

The Marietta area shows positive economic and population growth which suggest an ongoing demand for additional housing in the area.

Were the project to be developed as proposed, it could expect to lease-up over a period of at least 24 months. An absorption of 72 units (50 non rent- assisted units) over an 18 month period would suggest an average absorption of just under three units per month.

The Legacy at Walton Village is considered the most comparable project in the market area in that offers a mix of subsidized, tax credit and market rate units. The Legacy is, however, open to older persons from 55 years and above, whereas the proposed development is restricted to persons aged 62 years and over.

It is found that there has been significant provision of housing for the elderly in the Marietta area in recent years. This supply has resulted in high vacancy levels in the newest properties, which indicates a relative over-supply of housing for the elderly in this market. This is particularly the case for units at relatively high rent levels.

The proposed mix of rents, unit, types, and unit sizes are considered appropriate for a new tax credit property in this community, except that the rents are high.

The interior and exterior amenities for the proposed development are typical of modern tax credit properties which allow those projects to compete with market rate properties. The appliance package is also appropriate.

Access from the site to major thoroughfares, shopping, health and other services is quite good.

The capture rates for the proposed development (the project overall, by target income group, and by bedroom type) meet Georgia DCA thresholds, except for the two-bedroom units at 60 percent of the median.

As noted, that there has been significant provision of housing for the elderly in the Marietta area in recent years. This supply has resulted in high vacancy levels in the newest properties, which indicates a relative over-supply of housing for the elderly in this market. This is particularly the case for units at relatively high rent levels. It is our recommendation, therefore, that, based upon our analysis, consideration should be given to re-submitting the project in 2008, after the current over-supply of housing for the elderly in the area has been absorbed.

The following provides a brief summary of each of the major sections in the market analysis.

The proposed development will comprise the construction of 72 new units of low income housing tax credit financed housing.

The site of the proposed Retreat at Dorsey Manor apartments for the elderly is adjacent to the existing nine-story Dorsey Manor public housing complex on the south side of Lemon Street, to the east of its intersection with Haynes Street on the edge of downtown Marietta.

There are no apparent environmental, physical, or other constraints upon the construction and marketing of the proposed apartments at this location other than any resulting from its proximity to, and perceived association with, the existing public housing complex.

The market area for the proposed development is central Cobb County as defined by several census tracts .

Labor force and employment data for Cobb County show that labor force and employment have exhibited growth over the last decade or so, as a whole. Since 1997, labor force has grown by an average of 1.4 percent per year, and employment has averaged 1.2 percent per year over that period.

The population of the Marietta market area is projected to increase from 73,205 in 2000 to 73,610 in 2006, and 74,207 in 2009. The number of households is projected to increase from 26,853 in 2000 to 26,743 in 2006 and 26,838 in 2009.

The elderly population (65 years and over) of the Jefferson market area is projected to increase from 6,997 in 2000 to 8,887 in 2006, and 10,210 in 2009. The number of elderly households is projected to increase from 4,455 in 2000 to 13,060 in 2006 and 14,839 in 2009.

There are several apartment complexes located throughout the Marietta area which are designated for older tenants. It is found that there has been significant provision of housing for the elderly in the Marietta area in recent years. This supply has resulted in high vacancy levels in the newest properties, which indicates a relative over-supply of housing for the elderly in this market. This is particularly the case for units at relatively high rent levels.

The total potential need for non-rent assisted tax credit units for the elderly, such as is proposed, in the Marietta area by 2009 is calculated to be for 399 units. The net need is for 287 units. Capture rates for the proposed 50 non-assisted units are as set out in the capture rate analysis chart (on the following page).

In our opinion, the vacancy levels in the existing elderly projects and the rents at the proposed development, suggest that the project would experience a long absorption period. Under these circumstances an 18 month absorption would not be unreasonable. It would appear, therefore, that consideration should be given to re-submitting the project in 2008, after the current over-supply of housing for the elderly in the area has been absorbed.

### Capture Rate Analysis Chart

Unit Size	Income limits	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Absorption	Median Market Rent	Proposed Rents
1 Bdrm	30% AMI								
	50%AMI								
	60% AMI	21	161	37	124	17.0	18	\$650	\$570
	Market Rate	17	188	19	169	10.0	18	\$650	\$750
<b>1 Bdrm</b>	<b>TOTAL</b>	<b>38</b>	<b>300</b>	<b>56</b>	<b>244</b>	<b>15.6</b>	<b>18</b>		
2 Bdrm	30% AMI								
	50%AMI								
	60% AMI	7	54	37	17	42.1	12	\$875	\$717
	Market Rate	5	63	19	44	11.4	18	\$875	\$830
<b>2 Bdrm</b>	<b>TOTAL</b>	<b>12</b>	<b>100</b>	<b>56</b>	<b>44</b>	<b>17.4</b>	<b>18</b>		
3 Bdrm	30% AMI								
	50%AMI								
	60% AMI								
	Market Rate								
<b>3 Bdrm</b>	<b>TOTAL</b>								
4Bdrm	30% AMI								
	50%AMI								
	60% AMI								
	Market								
<b>4 Bdrm</b>	<b>TOTAL</b>								

Proposed Project Capture Rate LIHTC Units	19.9%
Proposed Project Capture Rate Market Rate Units	10.3%
Proposed Project Capture Rate ALL Units	17.4%
Proposed Project Stabilization Period	18 months



## PROJECT DESCRIPTION

The Retreat at Dorsey Manor apartments are to be located adjacent to the Dorsey Manor development on Lemon Street in downtown Marietta. The project will provide a total of 72 new units for elderly tenants.

There will be 54 one-bedroom units, and 18 two-bedroom units. Of the total 72 units, 22 units will be rent-assisted, and 28 units will be targeted to households with incomes up to 60 percent of the median, and therefore qualify those units for tax credit status. In addition, there will be 22, unrestricted, market rate units.

One bedroom units will be of around 720 square feet, and two bedroom units will be around 970 or 1,080 square feet. These units will be located in a four-story building with elevator access.

The project is to be configured as follows:

<u>Unit type</u>	<u>No. of units</u>	<u>Rents</u>	<u>Utilities</u>	<u>Targeting*</u>
1 bedroom/1 bath	16	\$654	\$81	rent-assisted
1 bedroom/1 bath	21	\$570	\$81	less than 60 percent
1 bedroom/1 bath	17	\$750	\$81	unrestricted
2 bedroom/1 bath	6	\$717	\$101	rent-assisted
2 bedroom/1 bath	7	\$717	\$102	less than 60 percent
2 bedroom/1 bath	5	\$830	\$102	unrestricted

\* Percent of area median

Source: Developer

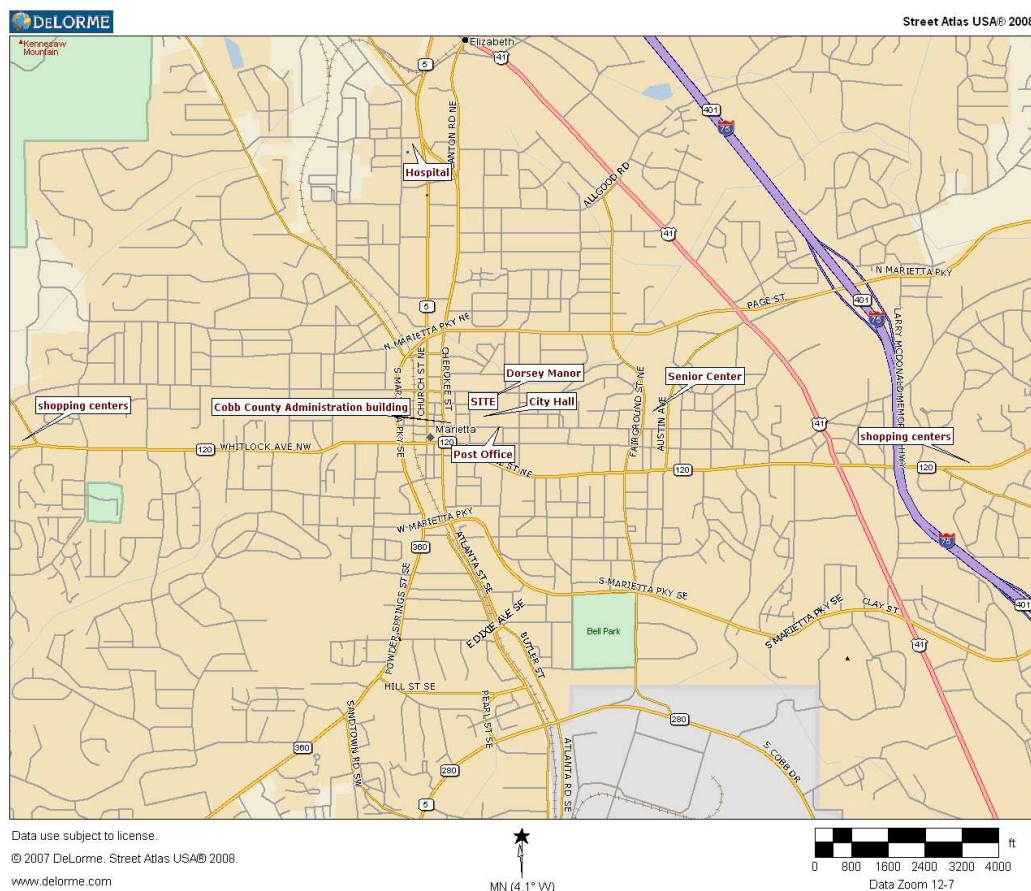
As noted, 22 units of project based rental assistance will be made available.

Based upon the application, the proposed development will feature the following required amenities: refrigerator, stove, heating and air conditioning, an on-site laundry, a community area, an elevator and interior gathering spaces, and a fenced community garden and gazebo. Optional amenities to be provided (as per the application) include an equipped walking path (with exercise stations or sitting areas), an equipped play court, an equipped exercise/fitness center, an equipped computer center, a furnished library, an alarm system, a built-in dishwasher, a disposal and microwave oven in each unit, and washer and dryer hook-up (in addition to the on-site laundry).

As per the application, the project placed in-service date is December 31, 2009.

## SITE EVALUATION<sup>1</sup>

The site of the proposed Retreat at Dorsey Manor apartments for the elderly is adjacent to the existing nine-story Dorsey Manor public housing complex on the south side of Lemon Street, to the east of its intersection with Haynes Street on the edge of downtown Marietta. Adjacent uses (in addition to Dorsey Manor) are typically institutional (including parking lots). These institutional uses include several churches and the Marietta municipal complex. Other uses include residential uses to the north and east and office, shopping, government and other services in the downtown area, to the south and west.



<sup>1</sup> Site visit was conducted on June 18





View towards site



View of site



View across site



View from site to Dorsey Manor



View towards site from Police Dept. parking lot



View across Haynes St., towards downtown Marietta



View west on Lemon Street



View east on Lemon Street



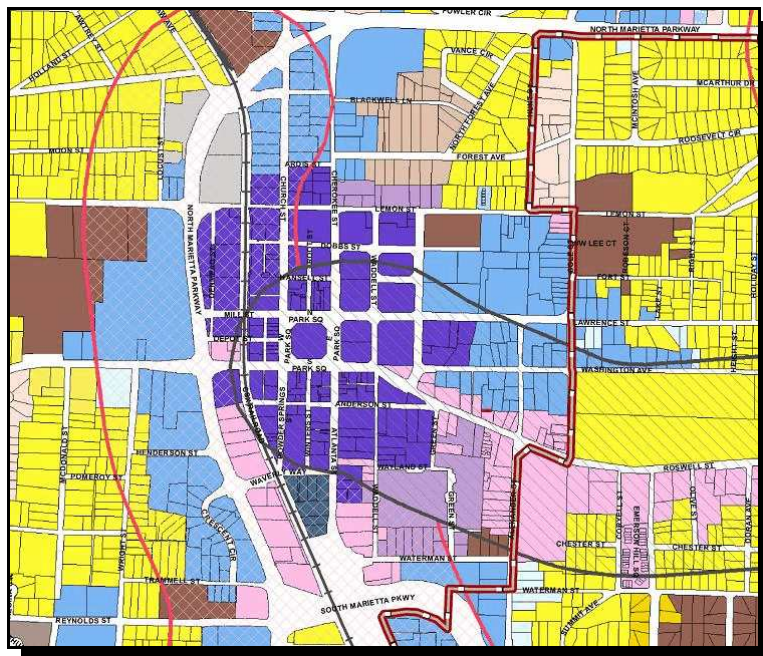
Access from the site to major thoroughfares, shopping, health and other services is quite good.

The site is well-located with respect to the government, shopping and other services located in the Marietta downtown business district. As noted, the site is located adjacent to the Marietta municipal complex. The site is within one mile of the Senior Center on Fairground Street.

The site is within two miles of the shops and other services located on Whitlock Avenue, to the west, and is a similar distance from the various shops and other services located on Roswell Street, to the east.

The Wellstar Kennestone Hospital, and associated medical offices, is located on Church Street, approximately one and one-third miles from the site of the proposed development.

Based on the application the site is currently zoned Planned Residential Development - multi-family, which allows for multi-family development. The zoning for the surrounding area (see map) includes the central business district to the west, office and institutional to the east, and mixed-use and residential zones to the north.

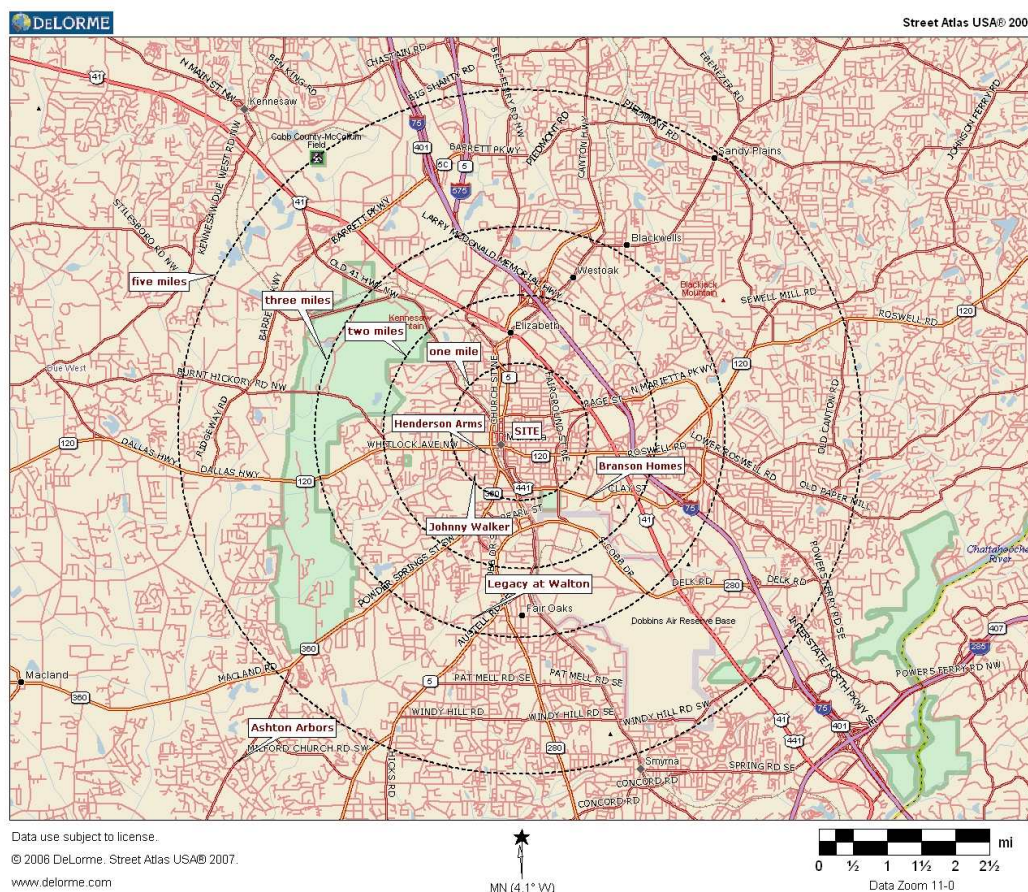


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The property will be accessed either using the existing entrance to Dorsey Manor on Lemon Street, or using a new entrance on the south side of the property. The latter would be onto or from an (unnamed) right-of-way at the municipal complex.

The property will be visible adjacent streets, except where it might be obscured by the existing Dorsey Manor facility.

The site is effectively part of the Dorsey Manor property, and as such features existing footpaths and has several mature trees. There are no apparent environmental, physical, or other constraints upon the construction and marketing of the proposed apartments at this location other than any resulting from its proximity to, and perceived association with, the existing public housing complex.



Existing low income housing

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## MARKET AREA

Market areas are defined on the basis of the consideration of many inter-related factors. These include consideration of the site location, consideration of socio-demographic characteristics of the area (tenure, income, rent-levels, etc.), local commuting patterns, physical (or other) boundaries, census geographies, and especially the location of comparable and/or potentially competing communities.

In communities such as county seats where that community is the county's largest community and is centrally located and can draw from the entire county, the county may be the market area. In circumstances where there are potentially competing communities in one county, the market area will be that part of the county (and, potentially, portions of adjacent counties) which the proposed development is most likely to draw from. Here, a combination of census county subdivisions (townships) may be used to define the market area. In urban or suburban markets, the market area will be areas adjacent to the site and will extend to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project. Here combinations of census county subdivisions (townships) or combinations of census tracts, may be used to define the market area.

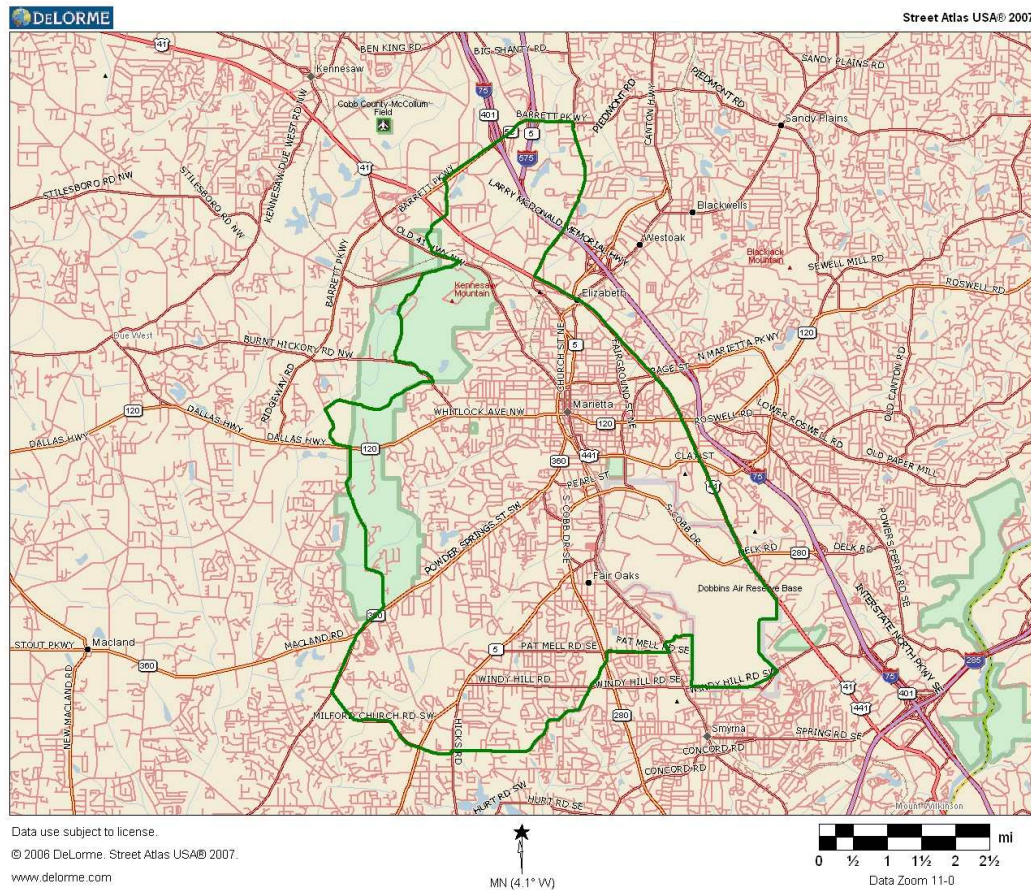
Marietta is located in central Cobb County, in north-central Georgia. The market area for the proposed development is central Cobb County as defined by several census tracts <sup>1</sup>. This area very closely approximates to the Atlanta Regional Commission's Marietta planning 'super-district'. The area is focused on downtown Marietta, and extends to up to a five mile hinterland. This area excludes neighboring and potentially competing communities such as Smyrna, Kennesaw, and Powder Springs. This area is that which constitutes the geographic area adjacent to Marietta and extends to all locations of relatively similar character, and with residents or potential residents likely to be interested in the project.

In accordance with Georgia DCA recommendations, this market area is considered both reasonable and somewhat conservative in order to ensure that demand is not overstated when, as required, demand calculations are adjusted to account for potential demand from outwith this area, as defined.

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<sup>1</sup> Census tracts: 306, 307, 308, 309.01, 309.02, 309.04, 309.05, 310.01, 310.02, 310.04, 301.05





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## COMMUNITY DEMOGRAPHIC DATA

### POPULATION TRENDS AND PROJECTIONS

In 1990, the population of Cobb County was 447,745, and in 2000 the population was recorded as 607,751. Population projections For Cobb County are available from both the Atlanta Regional Commission and the Georgia State Data Center. The latter are available by age - however, the total population projections from this source are seen to be somewhat high (in comparison with total population projections from the ARC and other sources. Here, population projections from Claritas are used as they appear to be more realistic, and are available by age and at the census tract level. Based on these, the population of Cobb County is projected to be around 667,498 by 2006 and 696,843 by 2009.

Population projections for the Marietta market area are provided by Claritas. The projection is that in 2006 the project market area will have a population of around 73,610, and around 74,207 in 2009. In 2000, the population of the market area was 73,205.

Information on population changes between 1990 and 2014 are set out in Table 6, overleaf.

Table 1 - Population

	<b>Marietta</b>	<b>Market Area</b>	<b>Cobb County</b>
1990	44,129	57,328	447,745
2000	58,748	73,205	607,751
2006	69,752	73,610	667,498
2009	76,004	74,207	696,843
2014	87,694	77,403	748,647

Source: 1990 Census and 2000 Census; Claritas; John Wall and Associates

Table 2 - Population Change

Absolute change

	<b>Marietta</b>	<b>Market Area</b>	<b>Cobb County</b>
1990-2000	14,619	15,877	160,006
2000-2006	11,004	405	59,747
2006-2009	6,252	597	29,345
2009-2014	11,690	3,196	51,804

Annual change

1990-2000	1,462	1,588	16,001
2000-2006	1,834	68	9,958
2006-2009	2,084	199	9,782
2009-2014	2,338	639	10,361

Annual average rate of change(%)

1990-2000	3.31	2.77	3.57
2000-2006	3.12	0.09	1.64
2006-2009	2.99	0.27	1.47
2009-2014	3.08	0.86	1.49

Source: 1990 Census and 2000 Census; John Wall and Associates.

## AGE, SEX, AND RACE

Information on the age, sex, and racial characteristics of the population of Marietta, the Marietta market area, and Cobb County are set out in Table 7, below.

Table 3 - Age, Sex and Race

<u>Age</u>	<b>Marietta</b>		<b>Market Area</b>		<b>Cobb County</b>	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
under 5 years	4,655	7.9	5,686	7.8	43,938	7.2
5 to 9 years	3,776	6.4	5,201	7.1	44,858	7.4
10 to 14 years	3,023	5.1	4,235	5.8	44,295	7.3
15 to 19 years	3,391	5.8	4,822	6.6	39,535	6.5
20 to 24 years	6,615	11.3	7,300	10.0	40,708	6.7
25 to 34 years	14,134	24.1	14,799	20.2	110,283	18.1
35 to 44 years	9,031	15.4	11,576	15.8	111,675	18.4
45 to 54 years	6,021	10.2	7,853	10.7	86,185	14.2
55 to 59 years	1,932	3.3	2,697	3.7	26,597	4.4
60 to 64 years	1,276	2.2	2,039	2.8	17,641	2.9
65 to 74 years	2,174	3.7	3,462	4.7	24,079	4.0
75 to 84 years	1,929	3.3	2,599	3.6	13,801	2.3
85 years and over	791	1.3	936	1.3	4,156	0.7
<u>Sex</u>						
Male	29,566	50.3	37,751	51.6	301,508	49.6
Female	29,182	49.7	35,454	48.4	306,243	50.4
<u>Race</u>						
White	33,185	56.5	42,200	57.6	439,991	72.4
Black or African	17,330	29.5	20,576	28.1	114,233	18.8
Other race	8,233	14.0	10,429	14.2	53,527	8.8
Hispanic or Latino (any race)	9,947	16.9	13,391	18.3	46,964	7.7

Source: 2000 Census; John Wall and Associates

## HOUSEHOLD TRENDS AND PROJECTIONS

Projections of the number of households for Marietta, the market area, and for Cobb County are set out in Table 4, below. In 2000, the average household size for the Marietta market area was 3.00 persons, compared with 2.66 in 1990.

Table 4 - Population and Households

<b>Marietta</b>	<u>Population</u>	<u>Group Quarters</u>	<u>Households</u>	<u>Persons per Household</u>
1990	44,129	1,093	19,866	2.17
2000	58,748	1,561	23,895	2.39
2006	69,752	1,561	28,211	2.42
2009	76,004	1,561	30,645	2.43
2014	87,694	1,561	35,184	2.45
<b>Market Area</b>				
1990	57,328	2,711	22,909	2.38
2000	73,205	3,848	26,853	2.58
2006	73,610	3,848	26,743	2.61
2009	74,207	3,848	26,838	2.62
2014	77,403	3,848	27,840	2.64
<b>Cobb County</b>				
1990	447,745	3,054	171,288	2.60
2000	607,751	7,294	227,487	2.64
2006	667,498	7,294	247,649	2.67
2009	696,843	7,294	257,374	2.68
2014	748,647	7,294	274,575	2.70

Source: 1990 Census and 2000 Census; John Wall and Associates

## ELDERLY POPULATION AND HOUSEHOLDS

Population projections by age at the county level are available from Claritas. Household projections are based on the assumption that the number of elderly households grows at the same rate as the elderly population.

The population of Cobb County aged 65 years and older is projected to increase from 42,036 in 2000 to 55,250 in 2006, and to 64,270 in 2009. In 2000, there were a total of 6,997 persons aged 65 years or older in the project market area. By 2009, it is projected that there will be 8,887 elderly persons in 5,658 households in the market area.

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Table 5 - Population and Households, 65 years and older

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	<b>Market Area</b>		<b>Cobb County</b>	
	<u>population</u>	<u>households</u>	<u>population</u>	<u>households</u>
1990	6,412	4,196	28,263	6,997
2000	6,997	4,455	42,036	24,759
2006	8,335	5,307	55,250	32,542
2009	8,887	5,658	64,270	37,855
2014	10,210	6,501	82,692	48,705

Source: 1990 Census and 2000 Census; Claritas; John Wall and Associates

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## ELDERLY HOUSEHOLD TYPE AND RELATIONSHIP

Information on household type and relationships for elderly (65 plus) households in Marietta, The Marietta market area, and Cobb County is set out in Table 6, below. Based on the information contained in this table it can be seen that in the Marietta market area there were a total of 4,455 persons in elderly households, of which 2,135 (47.9 percent) were family households. There were 2,234 elderly households comprising one elderly person (50.1 percent).

Table 6 - Elderly Household Type and Relationship

	<b>Marietta</b>	<b>Market Area</b>	<b>Cobb County</b>
Householder 65 year and older	3,007	4,455	24,759
Family households	1,305	2,135	14,897
Married couple family	989	1,600	12,139
Other family	316	535	2,758
Nonfamily households	1,702	2,320	9,862
Householder living alone	1,644	2,234	9,415
Group quarters	638	670	2592

Source: 2000 Census; John Wall and Associates

## TENURE

Table 7, below, sets out the number and proportion of owner and renter households for Marietta, the Marietta market area, and for Cobb County. In the years beyond 2000, the tenure proportions are assumed to be the same as for 2000. In 2000, 49.9 percent of households in the market area were renters, compared with 62.4 percent for Marietta, and 31.8 percent for Cobb County.

Table 7 - Tenure

<b>Marietta</b>	All households	Owner-occupied		Renter-occupied	
		<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
1990	19,866	6,643	33.4	13,223	66.6
2000	23,895	8,996	37.6	14,899	62.4
2006	28,211	10,621	37.6	17,590	62.4
2009	30,645	11,537	37.6	19,108	62.4
<b>Market Area</b>					
1990	22,909	11,440	49.9	11,469	50.1
2000	26,853	13,444	50.1	13,409	49.9
2006	26,743	13,389	50.1	13,354	49.9
2009	26,838	13,436	50.1	13,401	49.9
<b>Cobb County</b>					
1990	171,288	110,678	64.6	60,610	35.4
2000	227,487	155,055	68.2	72,432	31.8
2006	247,649	168,797	68.2	78,852	31.8
2009	257,374	175,426	68.2	81,948	31.8

Source: 1990 Census and 2000 Census; John Wall and Associates



## TENURE: ELDERLY HOUSEHOLDS

Table 8, below, sets out the number of owner and renter households, by age of household head for older households in Marietta, the Marietta market area, Cobb County, and Georgia. From this table it can be seen that, for example, 1,271 out of 7,308 households headed by a person 65 years or older in the Marietta market area are renters (28.5 percent). The corresponding proportion for the state of Georgia is 19.3 percent.

Table 8 - Tenure of Elderly Households

<b>Marietta</b>	Total	Owner-occupied		Renter-occupied	
		<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
55 to 64 years	2,055	1,310	63.7	745	36.3
65 to 74 years	1,384	985	71.2	399	28.8
75 to 84 years	1,222	766	62.7	456	37.3
85 years and older	401	184	45.9	217	54.1
total, 55 and older	5,062	3,245	64.1	1,817	35.9
total, 65 and older	3,007	1,935	64.3	1,072	35.7
<b>Market Area</b>					
55 to 64 years	2,853	2,038	71.4	815	28.6
65 to 74 years	2,235	1,736	77.7	499	22.3
75 to 84 years	1,713	1,187	69.3	526	30.7
85 years and older	507	261	51.5	246	48.5
total, 55 and older	7,308	5,222	71.5	2,086	28.5
total, 65 and older	4,455	3,184	71.5	1,271	28.5
<b>Cobb County</b>					
55 to 64 years	26,334	22,768	86.5	3,566	13.5
65 to 74 years	14,676	12,986	88.5	1,690	11.5
75 to 84 years	8,283	6,847	82.7	1,436	17.3
85 years and older	1,800	1,252	69.6	548	30.4
total, 55 and older	51,093	43,853	85.8	7,240	14.2
total, 65 and older	24,759	21,085	85.2	3,674	14.8

**Georgia**

55 to 64 years	393,287	323,138	82.2	70,149	17.8
65 to 74 years	276,754	230,342	83.2	46,412	16.8
75 to 84 years	171,392	136,221	79.5	35,171	20.5
85 years and older	47,120	32,996	70.0	14,124	30.0
total, 55 and older	888,553	722,697	81.3	165,856	18.7
total, 65 and older	495,266	399,559	80.7	95,707	19.3

Source: 2000 Census; John Wall and Associates

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## HOUSEHOLD SIZE

Table 9 below, sets out household size, by tenure, for households in Marietta, the Marietta market area, and Cobb County.

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Table 9 - Household Size, by Tenure

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	<b>Marietta</b>		<b>Market Area</b>		<b>Cobb County</b>	
	<u>owner</u>	<u>renter</u>	<u>owner</u>	<u>renter</u>	<u>owner</u>	<u>renter</u>
1 person	2,597	5,252	3,569	4,226	27,769	25,022
2 person	3,370	4,299	21,642	3,573	52,331	21,642
3 person	1,364	2,320	11,226	2,192	29,878	11,226
4 person	1,007	1,508	7,677	1,630	28,781	7,677
5 person	427	771	3,801	862	11,008	3,801
6 person	126	377	1,703	471	3,438	1,703
7+ person	105	372	1,361	455	1,850	1,361

Source: 2000 Census; John Wall and Associates

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## HOUSEHOLD INCOME

The distribution of household incomes for Marietta, the Marietta market area, and for Cobb County, and Georgia as a whole are set out in Table 10, below. From this table it can be seen that the median income for the market area in 1999 was \$40,163 and the corresponding figure for Cobb County was \$58,289.

Table 10 - Household Income

	Marietta		Market Area		Cobb County		Georgia	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	2,068	8.6	2,275	8.5	10,036	4.4	304,816	10.1
\$10,000 to \$14,999	1,209	5.0	1,454	5.4	6,652	2.9	176,059	5.9
\$15,000 to \$19,999	1,528	6.4	1,596	5.9	7,739	3.4	177,676	5.9
\$20,000 to \$24,999	1,637	6.8	2,067	7.7	9,950	4.4	191,603	6.4
\$25,000 to \$29,999	1,853	7.7	2,288	8.5	11,221	4.9	191,619	6.4
\$30,000 to \$34,999	1,720	7.2	1,899	7.1	12,387	5.4	187,070	6.2
\$35,000 to \$39,999	1,687	7.0	1,800	6.7	11,692	5.1	176,616	5.9
\$40,000 to \$44,999	1,652	6.9	1,806	6.7	12,889	5.7	173,820	5.8
\$45,000 to \$49,999	1,240	5.2	1,456	5.4	11,024	4.8	152,525	5.1
\$50,000 to \$59,999	2,207	9.2	2,662	9.9	23,427	10.3	278,017	9.2
\$60,000 to \$74,999	2,297	9.6	2,592	9.6	28,112	12.4	315,186	10.5
\$75,000 to \$99,999	2,081	8.7	2,266	8.4	33,874	14.9	311,651	10.4
\$100,000 to \$124,999	1,099	4.6	1,212	4.5	20,060	8.8	157,818	5.2
\$125,000 to \$149,999	612	2.6	500	1.9	11,043	4.9	76,275	2.5
\$150,000 to \$199,999	493	2.1	396	1.5	9,182	4.0	66,084	2.2
\$200,000 or more	562	2.3	606	2.3	8,302	3.6	70,843	2.4
median	\$40,645		\$40,163		\$58,289		\$42,433	

Source: 2000 Census; John Wall and Associates

## ELDERLY HOUSEHOLD INCOME

The distribution of household incomes for elderly households (65 years and older) for Marietta, the Marietta market area, and for Cobb County as a whole are set out in Table 11, below.

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Table 11 - Elderly Household Income, by Age, 65 years and older

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	<b>Marietta</b>		<b>Market Area</b>		<b>Cobb County</b>	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	489	16.4	920	15.7	3,536	10.3
\$10,000 to \$19,999	677	22.7	1,234	20.9	5,851	17.0
\$20,000 to \$34,999	609	20.4	1,621	23.3	9,260	23.6
\$35,000 to \$49,999	428	14.3	1,137	17.8	7,289	16.7
\$50,000 to \$74,999	395	13.2	1,049	12.4	9,674	17.1
\$75,000 to \$99,999	161	5.4	520	4.1	5,911	6.9
\$100,000 or more	229	7.7	768	5.9	9,666	8.3

Source: 2000 Census; John Wall and Associates

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## RENTER HOUSEHOLD INCOME

The distribution of household incomes for renter households for Marietta, the Marietta market area, and for Cobb County as a whole are set out in Table 12, below.

Table 12 - Household Income, Renter Households

	<b>Marietta</b>		<b>Market Area</b>		<b>Cobb County</b>	
	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>	<u>number</u>	<u>percent</u>
less than \$10,000	1730	11.5	1661	12.4	6096	8.4
\$10,000 to \$19,999	2203	14.6	1988	14.9	8023	11.1
\$20,000 to \$34,999	4027	26.7	3874	29.0	17099	23.7
\$35,000 to \$49,999	3140	20.8	2664	19.9	15214	21.1
\$50,000 to \$74,999	2539	16.8	2161	16.2	15526	21.5
\$75,000 to \$99,999	827	5.5	530	4.0	5820	8.1
\$100,000 or more	628	4.2	487	3.6	4472	6.2

Source: 2000 Census; John Wall and Associates

## RESIDENTIAL CONSTRUCTION SINCE 1990

Table 13 below gives details of residential construction in Cobb County since 1990. Where the data exist, it can be seen that a total of 4,871 units were added in Marietta (3,190 of which were multi-family units) with 25,500 units added throughout Cobb County. No data are available for the market area.

Table 13 - Residential Construction Since 1990

	Cobb County			Marietta		
	Total	single-family	multi-family	Total	single-family	multi-family
1990	2,845	2,571	274	91	91	120
1991	2,845	3,048	100	112	112	0
1992	3,809	3,807	2	254	254	0
1993	4,966	4,486	480	161	161	0
1994	5,284	4,485	799	473	273	200
1995	8,251	5,111	3,140	490	450	40
1996	6,268	5,147	1,121	271	239	32
1997	7,081	5,314	1,767	211	183	28
1998	8,374	6,711	1,663	276	258	18
1999	8,008	7,143	865	350	350	0
2000	6,642	5,455	1,187	643	285	358
2001	5,657	4,513	1,144	241	225	16
2002	5,556	4,703	853	166	166	0
2003	5,963	4,993	970	143	143	0
2004	6,889	5,432	1,457	275	251	24
2005	6,142	5,123	1,019	457	249	208
2006	4,518	3,346	1,172	511	330	181
Total	99, 098	81,388	18,013	5,125	4,020	1,225

<sup>1</sup> Units

Source: Current Construction Reports, C-40; Bureau of the Census; John Wall and Associates

## EMPLOYMENT TRENDS

The distribution of employment, by industry, for Cobb County from 2002 to 2004 (the most recent annual data available) is set out in Table 14, below. From this table it is seen that the largest employment sectors include various service sectors - such as retail trade, accommodation and food services, and local government. Employment in manufacturing amounted to only 7.0 percent of the total for 2005.

Table 14 - Employment by Industry, Cobb County

	2003		2004		2005	
	number	percent	number	percent	number	percent
Total	297,106	100.0	309,262	100.0	310,124	100.0
Agriculture, Forestry, etc	86	0.0	68	0.0	48	0.0
Mining	144	0.0	154	0.0	0	0.0
Utilities	1,024	0.3	1,018	0.3	1,041	0.3
Construction	24,406	8.2	25,307	8.2	26,151	8.4
Manufacturing	22,024	7.4	22,110	7.1	21,825	7.0
Wholesale trade	24,891	8.4	34,368	11.1	24,719	8.0
Retail trade	37,784	12.7	37,907	12.3	38,668	12.5
Transp. and Warehousing	6,521	2.2	7,679	2.5	8,442	2.7
Information	10,513	3.5	9,464	3.1	8,106	2.6
Financial and Insurance	14,330	4.8	14,334	4.6	14,773	4.8
Real estate	6,592	2.2	6,495	2.1	6,836	2.2
Professional and Technical services	24,557	8.3	20,561	6.6	22,091	7.1
Management	6,086	2.0	9,715	3.1	9,932	3.2
Administrative and Waste services	23,335	7.9	25,051	8.1	30,779	9.9
Educational services	2,296	0.8	2,530	0.8	2,452	0.8
Health Care and Social Assistance	22,567	7.6	23,468	7.6	24,540	7.9
Arts, Entertainment, Recreation	3,644	1.2	3,687	1.2	3,665	1.2
Accommodation and Food services	26,218	8.8	24,942	8.1	25,296	8.2
Other Services	8,090	2.7	8,133	2.6	8,509	2.7
Unclassified	274	0.1	392	0.1	214	0.1
Federal Government	2,696	0.9	2,650	0.9	2,630	0.8
State Government	4,365	1.5	4,291	1.4	4,442	1.4
Local Government	24,663	8.3	24,938	8.1	24,985	8.1

Source: Georgia Department of Labor



## EMPLOYMENT BY INDUSTRY, PROJECT MARKET AREA

The distribution of employment, by industry, (by place of residence) for the Marietta market area is set out in Table 15, below. This information is from the 2000 Census.

Table 15 - Employment by Industry, Marietta Market Area

	<u>persons</u>	<u>percentage</u>
Agriculture (and mining)	141	0.4
Construction	5,245	14.8
Manufacturing	3,225	9.1
Wholesale Trade	1,479	4.2
Retail Trade	4,702	13.3
Transportation, etc	1,500	4.2
Information	1,332	3.8
Finance, Insurance, Real Estate	2,529	7.1
Professional, etc	4,340	12.2
Education, Health, Social Services	4,677	13.2
Arts, Entertainment, Recreation, etc	3,273	9.2
Other Services	1,929	5.4
Public Administration	1,113	3.1
Total	35,485	100.0

Source: 2000 Census; John Wall and Associates

## EMPLOYMENT OUTSIDE OF COUNTY

In 2000, based on Census data, 141,232, or 43.4 percent of workers resident in Cobb County were employed outside the county. The average driving time to work (for those not working at home) for those resident in Marietta was 30.1 minutes, and for those in the market area the average was 31.8 minutes. Statewide, the average travel time to work was 28.8 minutes.

## MAJOR EMPLOYERS

The major employers in Cobb County are listed in Table 16, below. From this table, it is seen that the largest employers are typically service providers, often at multiple locations. The area's largest single employer is the County public school system. Other large employers include the local hospital system, Lockheed Martin and Home Depot.

Given that many of these employers - such as local government, schools, and hospitals - are at multiple locations, it is not possible to produce a meaningful map showing the location of these entities. Similarly, almost one-half of Cobb County residents work outside that county - throughout the Atlanta metropolitan area.

Table 16 - Major Employers

<u>Firm</u>	<u>Product/Services</u>	<u>Employees</u>
Cobb County Public Schools	Public education	13,837
WellStar Health System, Inc	Hospitals	10,469
Lockheed Martin	Defense contractor	7,531
Home Depot	Home supply store	6,920
Cobb County Government	Government	4,839
Publix Supermarkets	Grocery stores	3,200
Six Flags Atlanta Properties	Theme park	2,765*
Kennesaw State University	University	1,425
IBM Corporation	Computing	1,400
Marietta City Schools	Public education	1,281

\*seasonal

Source: Cobb County Chamber of Commerce

## LABOR FORCE AND EMPLOYMENT

The makeup and trends of the labor force and employment have a strong influence on the growth and stability of the local housing market in general. In 2006, the most recent year for which annualized data are available, the Cobb County labor force comprised an estimated 382,689 persons. Of this total, 366,911 were employed and 15,778 or 4.1 percent were unemployed. Labor force and employment figures show significant growth over the decade and unemployment (on an annual basis) has been relatively low.

Since 1997, labor force has grown by an average of 1.4 percent per year, and employment has averaged 1.2 percent per year over that period.

Table 17 - Cobb County Labor Force and Employment

	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment Total</u>	<u>Rate (%)</u>
1997	334,216	324,367	9,849	2.9
1998	346,392	337,287	9,105	2.6
1999	357,545	348,831	8,714	2.4
2000	362,179	352,168	10,011	2.8
2001	367,084	355,096	11,988	3.3
2002	367,795	351,275	16,520	4.5
2003	360,776	345,037	15,739	4.4
2004	363,404	347,660	15,744	4.3
2005	372,133	354,868	17,265	4.6
2006	382,689	366,911	15,778	4.1

Source: Georgia Department of Labor

Growth in labor force and employment – as experienced in Cobb County over the last decade or so – can serve as a foundation for ongoing population and housing growth, which can translate into a need for more housing.

## PROJECT SPECIFIC DEMAND ANALYSIS

### INTRODUCTION

The market for the proposed apartments is derived from two principal sources: the population and household growth market, and from existing households currently living in the area who could move to the project were it to be made available. With respect to the latter, separate consideration is given to market area renter households and market area owner-occupied households.

It is understood that the proposed complex will provide one- and two-bedroom units, and will rent to older adults—defined here as those aged 65 years and older.

### INCOME RESTRICTIONS

Income is a key variable in the analysis of housing markets. Of the 72 units proposed, 22 will have project-based rental assistance targeted to households with incomes up to 60 percent of the median, and 22 units will be targeted to households with incomes at 60 percent of the median and therefore qualify their apartments for low income housing tax credit status. In addition, there will be 22 unrestricted, market rate units. The income limits for Cobb County (Atlanta MSA) are as follows:

Table 18 - Income Limits

	<u>60 percent</u>
1 person	\$29,880
2 person	\$34,200
3 person	\$38,460

Source: HUD

The maximum housing expenses for the proposed units are based on the above income limits, and assume an average 1.5 persons per bedroom and that renters will pay no more than 30 percent of their income on housing expense (rent plus utilities). The maximum housing expenses for the proposed one-bedroom units will therefore be \$801, and the maximum housing expense for two-bedroom units will be \$962 (at 60 percent of the median).

The proposed rents and utility allowances at the proposed tax credit eligible apartments are set out in Table 21 below. From this it can be seen that housing expenses at the proposed apartments fall at around 79 to 83 percent for the unassisted units at 60 percent of the median.

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Table 19 - Proposed Housing Expenses

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<u>Rent assisted</u>	<u>Rent</u>	<u>Utilities</u>
1 bedroom	boi	\$81
2 bedroom	boi	\$101

<u>60 percent</u>	<u>Rent</u>	<u>Utilities</u>
1 bedroom	\$570	\$81
2 bedroom	\$717	\$101

	<u>Maximum Rent</u>	<u>Proposed Rent</u>	<u>Proposed Rent as a Proportion of Maximum (%)</u>
1 bedroom	\$720	\$570	79.2
2 bedroom	\$861	\$717	83.3

boi = based on income

Source: Client; John Wall and Associates

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## AFFORDABILITY

There is no official lower income limit for the proposed apartments. However, for the purpose of this report it is assumed that tenants will pay no more than 40 percent of their income on housing costs (rent and utilities). The minimum income needed to afford the proposed units at their proposed rents are set out below. For the rent-assisted units, the lower income limit is effectively zero dollars. From this table it can also be seen that incomes fall at around 37 to 38 percent of the area's median for units at 60 percent of the median and around 44 to 46 percent of the area's median for the market rate units.

Table 20 - Qualifying Income Ranges

<u>rent-assisted</u>	<u>Income Needed</u>	<u>Income as Proportion of Area Median (%)</u>
1 bedroom	\$0	0.0
2 bedroom	\$0	0.0
<u>60 percent</u>	<u>Income Needed</u>	<u>Income as Proportion of Area Median (%)</u>
1 bedroom	\$19,530	36.6
2 bedroom	\$24,540	38.3
<u>market</u>	<u>Income Needed</u>	<u>Income as Proportion of Area Median (%)</u>
1 bedroom	\$24,930	46.0
2 bedroom	\$27,930	43.6

Source: John Wall and Associates

Qualifying income ranges for the proposed tax credit units are a function of the income needed to afford the proposed units and the mandated upper income limits. The latter are a function of household size (where, following DCA guidelines, the maximum is based on a standard of 1.5 persons per bedroom, rounded up to the nearest whole number, but not to exceed two persons in elderly housing). Given the nature of the property, the upper limit for the proposed market rate units is assumed to be effectively around 80 percent of the median income.

The table below also shows that there is a certain amount of overlap between income ranges – this occurs where households qualifying at one income level can afford the rents at another targeted income level. Consequently, demand calculations need to address this potential double-counting. The qualifying income ranges are therefore as set out below.

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Table 21 - Eligible Income Ranges

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<u>Rent-assisted</u>	<u>Minimum</u>	<u>Maximum</u>
1 bedroom	\$0	\$28,500
2 bedroom	\$0	\$28,500
 <u>60 Percent</u>	 <u>Minimum</u>	 <u>Maximum</u>
1 bedroom	\$19,530	\$28,500
2 bedroom	\$24,540	\$28,500
 <u>Market</u>	 <u>Minimum</u>	 <u>Maximum</u>
1 bedroom	\$24,930	\$34,200
2 bedroom	\$27,930	\$34,200

Source: 2000 Census; John Wall and Associates.

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The major variables to be examined are age, tenure, and income. Data are available for household income for households aged 65 years and older. These data, for the market area for the proposed complex, are set out below.

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Table 22 - Household Income, Older Renter Households

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<u>Income</u>	<u>All Older Renters</u>		<u>Overburdened renters</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
Up to \$10,000	247	18.7	154	22.7
\$10,000 - \$19,999	247	18.7	207	30.5
\$20,000 - \$34,999	406	30.7	286	42.2
\$35,000 - \$49,000	191	14.4	26	3.8
\$50,000 - \$74,999	153	11.6	5	0.1
\$75,000 - \$99,999	38	2.9	0	0.0
\$100,000 and over	40	3.0	0	0.0

Source: 2000 Census; John Wall and Associates

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These data, for 1999, are taken from the 2000 Census. To project forward, an income adjustment factor based on annual Social Security Cost of Living Adjustment over this period has been used. Here, the adjustment factor is 1.245.

From this table it can be seen that 18.7 percent of the market area older households have incomes less than \$12,450 and a further 18.7 percent have incomes between \$12,450 and \$24,900. This table also illustrates how rent-overburdened households are concentrated in the lower income groups.



## NEW HOUSEHOLDS

Projections of need and demand are based upon a 2000 to 2009 projection period and the resulting calculations are corrected to account for any construction of comparable projects and/or planned comparable units.

Following Georgia DCA market study guidelines “units that are subsidized with PBRA.....will not be used in determining project demand” as they are “assumed to be leasable in the market”. Here, the proposed project is evaluated in terms of the 50 non-assisted units.

With respect to household growth of older households, the projections of the older population and households for the project market area show that the number of elderly persons (65 years and older) was projected to increase from 6,997 in 2000 to 8,887 in 2009. Likewise, the number of older households was projected to increase from 4,455 to 5,658.

The number of elderly renters is projected to increase by 343 between 2000 and 2009 (from 1,271 to 1,614 households). Based on the distribution of elderly renter household incomes there are 67 new elderly renters who qualify for the proposed development\* (excluding overlap): with 35 qualifying at at 60 percent of the median.

## EXISTING HOUSEHOLDS

Again, the market for the proposed apartments comprises not only demand from population and household growth, but also from existing older households—both homeowners and renters—who would move to the new apartments were they made available. The extent to which any new development is able to attract a certain share of this market is largely a factor of several interrelated factors. These include the location of the development, the amenities it offers, the quality of design and the effectiveness of the development’s marketing and management. That is, the perceived value of the community in terms of price, convenience, and life-style.

Our calculations show that there will be a total of 329 older renter households in the qualifying income ranges in the project market area. These figures have to be adjusted to reflect the proportion that are likely to move to a new complex. The American Housing Survey for the United States in 2001 showed that around 32.5 percent of all renters moved in the previous 12 month period. Information from the 2000 Census suggests that the corresponding proportion for Georgia was around 36.0 percent. With respect to existing older households in the project market area it is found that, based on 2000 Census data, around 8.9 percent of older renters qualifying at 60 percent of the median are rent-overburdened. The corresponding proportion for households qualifying for market rate units is 8.4 percent. Here, these proportions are applied to the number of income eligible existing renter households to estimate how many of those households are likely to consider moving to the proposed apartments.

State Agency market study guidelines allow for the replacement of physically substandard and/or overburdened rental units. HUD and USDA market guidelines allowed for the calculation of the replacement of units due to demolition or abandonment or obsolescence. USDA guidelines suggested one percent per year. The HUD publication “*Components of Inventory Change: 2001 to 2003*” (Published in August, 2005) provides information on housing units lost over that two-year period. For example, the overall loss rate for rental units was around 1.60 percent (0.80 percent per year), whereas that for rental units renting for less than \$600 per month was around 2.01 percent (1.00 percent per year), with that for rental units occupied by households with incomes below \$30,000 per year being 2.09 percent (1.05 per year). A figure of 1.0 percent is therefore considered appropriate and is employed in this report. Based on the number of rental units in the market area occupied by income-eligible elderly tenants, this translates to an additional nine units: five units at 60 percent of the median, and seven market rate units.

Our calculations show that there will be a total of 607 older owner-occupied households in the qualifying income ranges in the market area: 359 qualifying at 60 percent of the median, and 339 qualifying for the market rate units. With respect to the existing elderly homeowners it is realistically assumed that perhaps 5 percent would consider moving to the proposed apartments. Thus, a total of 30 older homeowners might consider moving—around 18 homeowners who would qualify at 60 percent of the median, and around 17 homeowners who would qualify for the market rate units. These figures amount to less than 20 percent of demand.

Georgia DCA market studies require consideration of potential demand from outside the primary market area, as defined. Potential demand from this source is assumed to amount to 115 percent of that from the primary market area. Thus, the calculations for the proposed development include a further 28 units at 60 percent of the median, and a further 33 market rate units (52, overall, excluding overlap)

Following this approach, the demand calculations are set out below. Here, there is seen to be a total demand for 399 unassisted elderly units as proposed (excluding overlap): 214 qualifying at 60 percent of the median and 251 qualifying for the market rate units.

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Table 23 - Demand Calculations

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	<u>60 percent</u>	<u>Market</u>	<u>Total<sup>1</sup></u>
(i) New older renter households	35	44	67
(ii) Existing older renter households	172	215	329
(iii) Existing older renter households, likely to move	128	151	240
(iv) Need from obsolete elderly housing	5	7	10
(v) Existing older homeowner households	359	339	607
(vi) Existing older homeowner households likely to move	18	17	30
Total demand (i) + (iii) + (iv) + (vi)	214	251	399

---

<sup>1</sup> Excluding overlap

Source: John Wall and Associates

---

## DEMAND

Total demand is therefore seen to amount to 399 units. This total demand has to be segmented to determine demand by number of bedrooms per unit. For the purposes of this report, it can be reasonably assumed that perhaps three-fourths of older households (65 years and older) would choose a one-bedroom unit, and one-fourth would chose a two-bedroom unit.

## SUPPLY

These figures are based on a 2000 to 2009 projection period and therefore have been corrected to account for the funding and/or construction of any directly comparable projects in the market area. One directly comparable project has been added in the project market area over the projection period, and no others have been funded. This project is the Legacy at Walton Village. This is a tax credit property that opened in 2006 and offers a total of 125 units. Here there are a total of 112 non-pbra units, 37 one- and two-bedroom units at up to 60 percent of the median, and 19 one- and two-bedroom units at market rents. The net need is therefore for 287 units.

Table 24 - Demand Calculations and Capture Rates

Overall Demand	<u>60 percent</u>	<u>Market</u>	<u>Total<sup>1</sup></u>
1 bedroom	161	188	300
2 bedroom	54	63	100
Total	314	251	399
Supply			
1 bedroom	37	19	56
2 bedroom	37	19	56
Total	74	38	112
Net Demand			
1 bedroom	124	169	244
2 bedroom	17	44	44
Total	140	213	287
Units proposed			
1 bedroom	21	17	38
2 bedroom	7	5	12
Total	28	22	50
Capture rates			
1 bedroom	17.0%	10.0%	15.6%
2 bedroom	42.1%	11.4%	17.4%
Total	19.9%	10.3%	17.4%

---

<sup>1</sup> Excluding overlap

Source: John Wall and Associates

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### CAPTURE RATES

A total of 50 unassisted units are to be provided at the proposed development. Thus, this figure represents 17.4 percent of total need. The 38 one-bedroom units represent 15.6 percent of the calculated need for one-bedroom units, and the 12 two-bedroom units represent 27.4 percent of that need, and the 22 market rate units represent 10.3 percent of the need.

### ABSORPTION RATES

Were the project to be developed as proposed, it could expect to lease-up over a period of at least 18 months. This reflects the fact that there is an oversupply of elderly units in the Marietta area, and that the rent levels are quite high.

## SUPPLY ANALYSIS (COMPARABLE RENTAL DEVELOPMENTS)

There are several apartment complexes located throughout the Marietta area which are designated for older tenants. These various complexes have been identified and surveyed, and where useful information was made available to us this is presented in this section of our report.

The proposed development will be located adjacent to, and associated with, the Dorsey Manor Apartments for the elderly. The latter is a nine-story, 85-unit, public housing development, built in 1971. It offers a mix of efficiency units and one-bedroom units. It is administered by the Marietta Housing Authority. At present, one unit is reported to be vacant, and the property is reported to stay effectively fully occupied on an ongoing basis. There is a waiting list. The housing authority administers three other properties which are designated for the elderly and are located near the downtown area. The latter include single-story properties at Branson Homes and Johnny Walker Homes. In addition, there is the 150-unit mid-rise development, Henderson Arms. Again, these are complexes are fully subsidized, and are reported to be fully occupied on an ongoing basis.

There are several other noteworthy developments catering to the elderly in the area. Edinborough is an apartment complex that provides a mix of one and two bedroom units that were originally developed in 1965. This property is now restricted to tenants aged 55 years and older. There is an equal mix of 64 one- and two-bedroom units located on two levels. The manager notes that one- and two- bedroom units are equally popular, and that the lower level units are more popular than the upstairs units. The 750 square foot one-bedroom units rent for \$610 per month (including utilities) and the 950 square foot two-bedroom units rent for \$710. Currently, two units are vacant, and typical occupancy is reported to be around (95 percent). The manager notes that whereas she would prefer that tenants pay no more than one-third of their income on these rents, she has to admit tenants who are devoting up to one half of their income on rent. Hence, these market rents are not theoretically considered “affordable”.

There is one new tax credit property located in the market area, as defined. This is the 125-unit Legacy at Walton Village property. This was built in 2006, and offers 62 one-bedroom units and 63 two-bedroom units. The project is an attractive one, with a good amenity package. The one-bedroom units are 750 square feet and the two-bedroom unit are 1,100 square feet. The units at this property are targeted to households at 30, 50, and 60 percent of the local area median, as well as some market rent, unrestricted, units. The one-bedroom units rent for \$311(30 percent), \$578 (50 percent), \$712 (60 percent) and \$770 (market rate). The two bedroom units rent for \$369 (30 percent), \$690 (50 percent), \$850 (60 percent), and \$900 (unrestricted). Rent does not include utilities. Currently, all the units targeted at both 30 percent and 50 percent of the median are occupied, but there are, based on information from the management, a total of 35 vacant units. These vacancies are concentrated in those units which rent for more than \$700 per month. Typical occupancy was quoted at 70 percent. Concessions are available at present (roughly equivalent to one moth's free rent) .

The Legacy at Walton Village is considered the most comparable project in the market area in that offers a mix of subsidized, tax credit and market rate units. The Legacy is, however, open to older persons from 55 years and above, whereas the proposed development is restricted to persons aged 62 years and over.

There is one other development in the Marietta area which caters to older renters (aged 55 years and over). This is Summer Hill - which is located on Austell Road - not far from Edinborough and the Legacy. Summer Hill is a virtually unique concept in housing for the independent elderly. The project was built in 2005 and offers housing that parallels typical student housing in that renters rent a room in a shared suite-type configuration. That is, tenants rent a one-bedroom/one bath unit, and share living space (kitchen and living room) with four other tenants. The rooms are furnished, there is maid service, and all utilities are included in the rent. The property also offers a fitness/health center, clubhouse, beauty salon/barber shop, and business center. Rents range from \$575 to \$675, per month. As noted, the property opened in 2005. Currently, 106 of the 255 rooms available are occupied - which reflects the uniqueness of this configuration and the fact that, to date, it is not being very well-received in this market. Nonetheless, more than 100 people have leased rooms there - which probably reflects the impact of the cost - which is seen as being good value, in absolute terms (all other things considered). The nature of this project is such that whereas it is not considered in direct competition with the proposed development, it nonetheless does compete with it to some extent.

Ashton Arbors is a 150-unit tax credit property for seniors, which opened in 2005. It is located on Bankstone Road, off Powder Springs Road, just outside the market area for the proposed development. Nonetheless, it is not far from, and is in competition with, the Edinborough, Legacy, and Summer Hill properties referred to above. Ashton Arbors offers 66 one-bedroom units and 84 two-bedroom units. Rents are \$625 and \$735, respectively (with utilities included). Although the project opened in 2005 it has yet to experience occupancy levels in excess of 66 percent - its current level: that is, 30 vacant one-bedroom units and 20 vacant two-bedroom units.

Thus, it is seen that there has been significant provision of housing for the elderly in the Marietta area in recent years. This supply has resulted in high vacancy levels in the newest properties, which indicates a relative over-supply of housing for the elderly in this market. This is particularly the case for units at relatively high rent levels.



The existing developments are summarized as follows:

Complex name	Financing	Year built	Total units	Vacant units	Occupancy (%)
Ashton Arbors	LIHTC	2005	150	50	66.7
Branson Homes	public housng	n/a	75	1	98.7
Dorsey Manor	public housng	1971	85	1	98.8
Edinborough	conventional	1965	128	2	n/a
Henderson Arms	public housng	n/a	150	0	n/a
Johnny Walker	public housng	1963	25	0	100.0
Legacy at Walton	LIHTC	2006	125	35	72.0
Summerhill	conventional	2005	225*	119	52.9

*tax credit units in italics*

\* rooms

Number of Units

Complex name	Total	0 br	1 br	2 br	2 br	2br
			1 ba	1 ba	1.5 ba	2 ba
Ashton Arbors	150	-	66	-	-	84
Branson Homes	75	-	75	-	-	-
Dorsey Manor	85	51	34	-	-	-
Edinborough	128	-	64	64	-	-
Henderson Arms	150	-	150	-	-	-
Johnny Walker	25	-	25	-	-	-
Legacy at Walton	125	-	62	-	-	63
Summerhill	225*	-	225	-	-	-

*tax credit units in italics*

\* rooms

## Rent

Complex name	Total	0 br	1 br	2 br	2 br	2br
			1 ba	1 ba	1.5 ba	2 ba
Ashton Arbors	150	-	\$625	-	-	\$735
Branson Homes	75	-	boi	-	-	-
Dorsey Manor	85	boi	boi	-	-	-
Edinburgh	128	-	\$610	\$710	-	-
Henderson Arms	150	-	boi	-	-	-
Johnny Walker	25	-	boi	-	-	-
Legacy at Walton	125	-	\$541	-	-	\$635
<i>Summerhill</i>	<i>225*</i>	-	n/a	-	-	-

*tax credit units in  
italics*

\* rooms

## Square Feet

Complex name	Total	0 br	1 br	2 br	2 br	2br
			1 ba	1 ba	1.5 ba	2 ba
Ashton Arbors	150	-	705	-	-	985
Branson Homes	75	-	n/a	-	-	-
Dorsey Manor	85	n/a	520	-	-	-
Edinburgh	128	-	750	950	-	-
Henderson Arms	150	-	540	-	-	-
Johnny Walker	25	-	n/a	-	-	-
Legacy at Walton	125	-	750	-	-	1,100
<i>Summerhill</i>	<i>225*</i>	-	n/a	-	-	-

*tax credit units in  
italics*

\* rooms

Rent/sq.ft.

Complex name	Total	0 br	1 br 1 ba	2 br 1 ba	2 br 1.5 ba	2br 2 ba
Ashton Arbors	150	-	\$0.89	-	-	\$0.75
Branson Homes	75	-	n/a	-	-	-
Dorsey Manor	85	n/a	n/a	-	-	-
Edinborough	128	-	\$0.81	\$0.75	-	-
Henderson Arms	150	-	n/a	-	-	-
Johnny Walker	25	-	n/a	-	-	-
Legacy at Walton	125	-	\$0.72	-	-	\$0.58
<i>Summerhill</i>	225*	-	n/a	-	-	-

*tax credit units in  
italics*

\* rooms



### Ashton Arbors

Location: 2780 Bankstone Road, Marietta  
Year built: 2005

Total units: 150, elderly (55 years and older)  
Typical occupancy: N/A

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	66	
Unit size (sq. ft.):	705	985
Rent:	\$625*	\$735*
Vacant units:	30	20
Management:	Ambling Management (Melissa/Lakehorn Knight - 770.420.2301)	
Utilities in rent:	Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Heat <input type="checkbox"/> Electricity <input type="checkbox"/>	
Amenities:	Club House/fitness center <input checked="" type="checkbox"/> Pool <input type="checkbox"/> Tennis <input type="checkbox"/> Business Center <input checked="" type="checkbox"/> Security gate <input type="checkbox"/> Garages ( ) <input type="checkbox"/> Carport <input type="checkbox"/> Laundry <input type="checkbox"/>	
Appliances:	Refrigerator <input checked="" type="checkbox"/> Range/oven <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Washer/Dryer Hook-up <input checked="" type="checkbox"/>	
Unit features:	Blinds/Drapes <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> AC <input checked="" type="checkbox"/> Fireplaces (\$ ) <input type="checkbox"/>	

\*tax credit

Concessions: 1 br units are available for \$599 and 2 br units for \$699.

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### Branson Homes

Location: 419 Aviation Road, Marietta

Financing: Conventional low income public housing

Year built: N/A

Total units: 75, elderly

Rental assistance

Typical occupancy: 100% (waiting list)

#### 1 br/1 ba

Units: 75

Unit size (sq. ft.): N/A

Vacant units: 1

Management: Marietta Housing Authority (Martha - 770.419.3219 6/21)

Utilities in rent: Water ☒ Sewer ☒ Trash ☒ Heat ☒ Electricity ☒

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Business Center ☐

Security gate ☐ Garages ( ) ☐ Carport ☐ Laundry ☐

Appliances: Refrigerator ☒ Range/oven ☒ Microwave ☐ Dishwasher ☐ Disposal ☐

Washer/Dryer ☐ Washer/Dryer Hook-up ☒

Unit features: Blinds/Drapes ☐ Carpet ☐ AC ☐ Fireplaces (\$ ) ☐

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### Dorsey Manor

Location: 212 Lemon Street, Marietta

Financing: Conventional low income public housing

Year built: 1971

Total units: 85, elderly

Rental assistance

Typical occupancy: 100% (waiting list)

	<u>0 br/1 ba</u>	<u>1 br/1 ba</u>
Units:	51	34
Unit size (sq. ft.):	N/A	520
Rent:		
Vacant overall:	1	0
Management:	Marietta Housing Authority (Brenda - 770.419.3216 6/21)	
Utilities in rent:	Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Heat <input checked="" type="checkbox"/> Electricity <input checked="" type="checkbox"/>	
Amenities:	Club House/fitness center <input type="checkbox"/> Pool <input checked="" type="checkbox"/> Tennis <input type="checkbox"/> Business Center <input type="checkbox"/> Security gate <input type="checkbox"/> Garages ( ) <input type="checkbox"/> Carport <input type="checkbox"/> Laundry <input type="checkbox"/>	
Appliances:	Refrigerator <input checked="" type="checkbox"/> Range/oven <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Washer/Dryer Hook-up <input type="checkbox"/>	
Unit features:	Blinds/Drapes <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> AC <input checked="" type="checkbox"/> Fireplaces (\$ ) <input type="checkbox"/> Patios/balconies <input checked="" type="checkbox"/>	

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### Edinborough

Location: 300 Pat Mell Road, Marietta  
Year built: 1965

Total units: 128, elderly (55 years and over)  
Typical occupancy: 95%

	<u>1 br/1 ba</u>	<u>2 br/1 ba</u>
Units:	64	64
Unit size (sq. ft.):	750	950
Rent:	\$610	\$710
Vacant overall:	1	1
Management:	First Communities (Robin - 770.436.2447 6/22)	
Utilities in rent:	Water <input checked="" type="checkbox"/> Sewer <input checked="" type="checkbox"/> Trash <input checked="" type="checkbox"/> Heat <input type="checkbox"/> Electricity <input type="checkbox"/>	
Amenities:	Club House/fitness center <input type="checkbox"/> Pool <input checked="" type="checkbox"/> Tennis <input type="checkbox"/> Business Center <input checked="" type="checkbox"/> Security gate <input type="checkbox"/> Garages ( ) <input type="checkbox"/> Carport <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>	
Appliances:	Refrigerator <input checked="" type="checkbox"/> Range/oven <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Washer/Dryer Hook-up <input type="checkbox"/>	
Unit features:	Blinds/Drapes <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> AC <input checked="" type="checkbox"/> Fireplaces (\$ ) <input type="checkbox"/> Patios/balconies <input checked="" type="checkbox"/>	

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### Henderson Arms

Location: 55 Henderson Street, Marietta

Financing: Conventional low income public housing

Year built: N/A

Total units: 150, elderly

Rental assistance

Typical occupancy: 100% (waiting list)

#### 1 br/1 ba

Units: 150

Unit size (sq. ft.): 540

Vacant units: 0

Management: Marietta Housing Authority (Ms. Christopher - 770.419.3221 6/21)

Utilities in rent: Water ☒ Sewer ☒ Trash ☒ Heat ☒ Electricity ☒

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Business Center ☐

Security gate ☐ Garages ( ) ☐ Carport ☐ Laundry ☒

Appliances: Refrigerator ☒ Range/oven ☒ Microwave ☐ Dishwasher ☐ Disposal ☐

Washer/Dryer ☐ Washer/Dryer Hook-up ☐

Unit features: Blinds/Drapes ☒ Carpet ☒ AC ☒ Fireplaces (\$ ) ☐

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### Johnny Walker

Location: 125 Thurmond Court, Marietta

Financing: Conventional low income public housing

Year built: 1963

Total units: 25, elderly

Rental assistance

Typical occupancy: 100% (waiting list)

1 br/1 ba

Units: 25

Unit size (sq. ft.): N/A

Vacant units: 0

Management: Marietta Housing Authority (Martha - 770.419.3219 [6/21])

Utilities in rent: Water ☒ Sewer ☒ Trash ☒ Heat ☒ Electricity ☒

Amenities: Club House/fitness center ☐ Pool ☐ Tennis ☐ Business Center ☐

Security gate ☐ Garages ( ) ☐ Carport ☐ Laundry ☐

Appliances: Refrigerator ☒ Range/oven ☒ Microwave ☐ Dishwasher ☐ Disposal ☐

Washer/Dryer ☐ Washer/Dryer Hook-up ☒

Unit features: Blinds/Drapes ☒ Carpet ☒ AC ☒ Fireplaces (\$ ) ☐ Patios/balconies ☐

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### Legacy at Walton Village

Location: 1570 Roberta Drive, Marietta  
Year built: 2006

Total units: 125, elderly (55 years and older)  
Typical occupancy: 70%

	<u>1 br/1 ba</u>	<u>2 br/2 ba</u>
Units:	62	63
Unit size (sq. ft.):	750	1,100
Rent:	\$311-770*	\$369-900*
Vacant units:	23	12
Management:	Walton Properties (Pat - 770.590.3981 6/19)	
Utilities in rent:	Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input checked="" type="checkbox"/> Heat <input type="checkbox"/> Electricity <input type="checkbox"/>	
Amenities:	Club House/community center <input checked="" type="checkbox"/> Pool <input type="checkbox"/> Tennis <input type="checkbox"/> Business Center <input checked="" type="checkbox"/> Security gate <input type="checkbox"/> Garages ( ) <input type="checkbox"/> Carport <input type="checkbox"/> Laundry <input checked="" type="checkbox"/>	
Appliances:	Refrigerator <input checked="" type="checkbox"/> Range/oven <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Washer/Dryer <input type="checkbox"/> Washer/Dryer Hook-up <input checked="" type="checkbox"/>	
Unit features:	Blinds/Drapes <input checked="" type="checkbox"/> Carpet <input checked="" type="checkbox"/> AC <input checked="" type="checkbox"/> Fireplaces (\$ ) <input type="checkbox"/> Patios/balconies <input checked="" type="checkbox"/>	

\* tax credit

Concessions are available

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### Summerhill

Location: 2000 Austell Road, Marietta  
 Year built: 2004-2005

Total units: 45, elderly (55 years and older)  
 Typical occupancy: N/A

5 br/5 ba

Units: 45  
 Unit size (sq. ft.): N/A  
 Rent: \$575-675  
 Rent/sq. ft.: N/A  
 Vacant units: N/A

Management: SMG Property Management (Sonya - 770.438.7809 6/22)

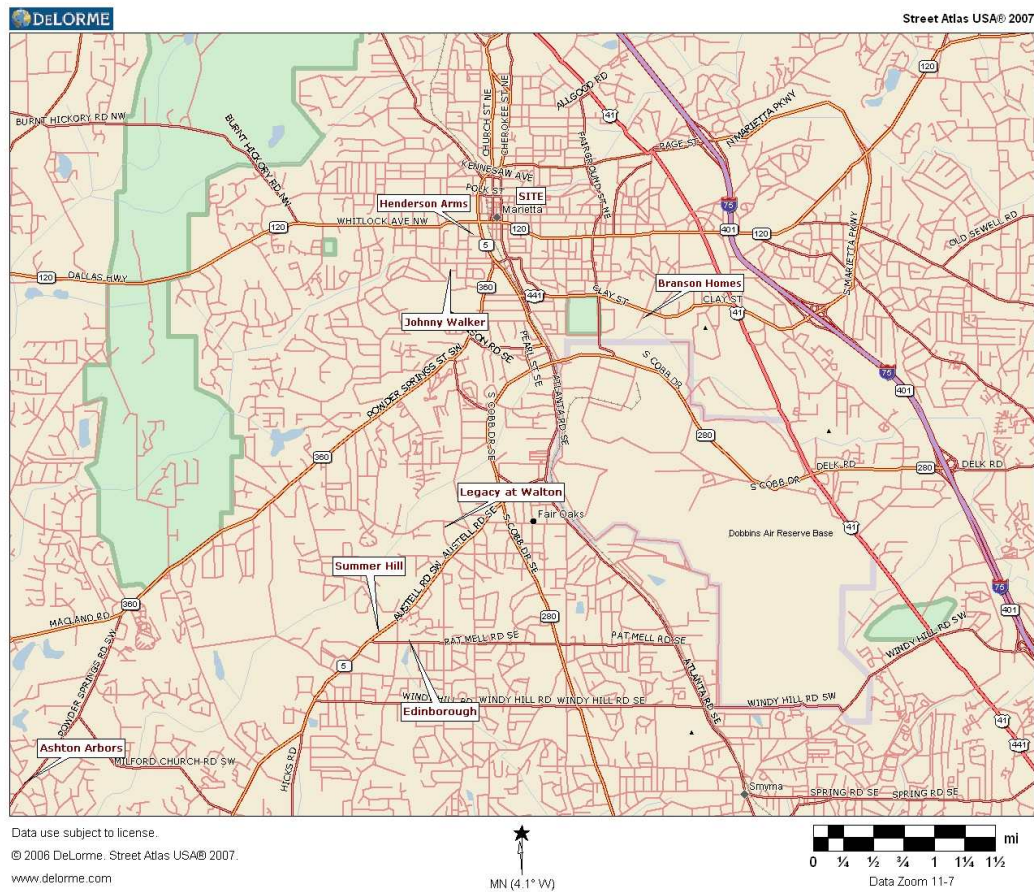
Utilities in rent: Water ☒ Sewer ☒ Trash ☒ Heat ☒ Electricity ☒

Amenities: Club House/fitness center ☒ Pool ☐ Tennis ☐ Business Center ☒  
 Security gate ☐ Garages ( ) ☐ Carport ☐ Laundry ☐

Appliances: Refrigerator ☒ Range/oven ☒ Microwave ☒ Dishwasher ☒ Disposal ☒  
 Washer/Dryer ☐ Washer/Dryer Hook-up ☒

Unit features: Blinds/Drapes ☒ Carpet ☒ AC ☒ Fireplaces (\$ ) ☐

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## INTERVIEWS

As part of the research for this market study, interviews were held with property managers, local government officials, and others with particular knowledge of the local housing market. Property managers of existing complexes and/or other representatives of management companies were a major source of information.

The managers of existing elderly properties in the Marietta note that there are a lot of elderly projects there, but that elderly housing is “popular”. Pat at Edinborough, noted that very few of her tenants have any income beyond Social Security, which makes affording nice housing difficult. She also noted that whereas it is her preference to have elderly tenants pay no more than one third of third income on rent, she has had to change that ratio to one-half in order to keep her units occupied. At least one manager noted that a downtown location would be appropriate for new housing for the elderly.

The Marietta Housing Authority provides rental assistance certificates in the area. To date, all 1,300 Authority’s certificates are being used. The waiting list closed in December 200, and it is unlikely that it will be re-opened in the next two years.

## CONCLUSIONS AND RECOMMENDATIONS

As noted, that there has been significant provision of housing for the elderly in the Marietta area in recent years. This supply has resulted in high vacancy levels in the newest properties, which indicates a relative over-supply of housing for the elderly in this market. This is particularly the case for units at relatively high rent levels. It is our recommendation, therefore, that, based upon our analysis, consideration should be given to re-submitting the project in 2008, after the current over-supply of housing for the elderly in the area has been absorbed. This conclusion is based on our analysis of the economic and demographic criteria of the project market area as defined and on our project specific demand analysis and survey of the supply of rental housing in the market--as set out in the foregoing report and summarized in the Executive Summary.

Information provided by DCA included a full market study prepared for this project. This report provided much information on non-elderly housing in the area rather than focusing specifically on housing designated solely for the elderly.

## ANALYST QUALIFICATIONS

John Wall and Associates is a planning and economics consulting firm which provides real estate market analysis. The firm is an independent licensee of JWA, Incorporated. John Wall and Associates was established in Cary, North Carolina in June 1990. The firm has another office, located in Anderson, Georgia.

The President of the Cary firm is T. Ronald Brown. He has 25 years experience in the provision of real estate market studies. Prior to establishing the Cary office of John Wall and Associates, Mr. Brown was Managing Associate of Stephens Associates in Raleigh for five years.

Mr. Brown holds an Honours Master of Arts degree in Geographical Studies from the University of St. Andrews in St. Andrews, Scotland.

Since June, 1990 the firm has produced more than 1,500 market studies, in more than 20 states. The firm has primary experience in market analysis for residential projects including both single-family homes and multi-family units (for sale and for rent). A significant proportion of the firm's business focuses on apartment market studies—for family renters and for elderly persons. These reports include conventionally financed projects (including HUD 221 (d) (4) projects), affordable housing (including tax credit financed projects) and subsidized housing.

Clients include for-profit developers, non-profit developers and community development corporations, state housing finance agencies, syndicators, and municipalities.



**SIGNED STATEMENT**

*I affirm that I, or an individual employed by my company, have made a physical inspection of the market area and site and that information has been used in the full assessment of the need and demand for new rental units. To the best of my knowledge, the market appears to support the demand shown in the study. I understand that any misrepresentation of this statement may result in denial of further participation in the Georgia Housing Finance and Development Authority's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent upon the project being funded.*



Market Analyst

Date: June 28 2007

## GLOSSARY

The following presents the definitions of various terms typically found in real estate market studies. This information is drawn from various sources including HUD, the Census Bureau, and the Urban Land Institute.

**Absorption rate** - the amount of real estate (for example, apartment units) that will be leased (or sold) in a given period of time.

**Affordable housing** - housing that costs an owner or renter no more than 30 percent of his or her income.

**Amenity** - non-monetary tangible or intangible benefit offered to a leasee—typically recreational facilities or planned activities.

**Assisted housing** - housing where the monthly costs to the tenants are subsidized by federal or other programs.

**Attached housing** - two or more dwelling units connected with party walls (e.g. townhouses or flats).

**Average stabilized occupancy** - typical occupancy level after the initial rent-up period.

**Based-on-income (BOI)** - approach to determining housing costs in subsidized housing programs.

**Below Market Interest Rate program (BMIR)** - program targeted to lower income renters by limiting rents based on HUD income limits. Here, rent is not supplemented directly to a complex, but developers are eligible for below market interest rates on their mortgage loan.

**Capture rate** - proportion/percentage of total demand within a targeted market segment that a project can expect to attract.

**Census tract** - a small, relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants.

**Central Business District (CBD)** - the center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

**Community Development Corporation (CDC)** - entrepreneurial institution combining public and private resources to aid in the development of socioeconomically disadvantaged areas.

**Comparable or comparable property** - another property to which a subject property can be compared to reach an estimate of the subject property's market value or market rent.

**Concession** - discount given to a prospective tenant to induce him or her to sign a lease—typically in the form of free rent.

**Condominium** - a form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

**Detached housing** - a freestanding dwelling unit, typically single-family, situated on its own lot.

**Employment trends** - changes in the number of persons in employment for a particular area over a specific period of time.

**Extremely low income** - household income below 30 percent of the local area median, as defined by HUD.

**Fair Market Rents (FMR)** - HUD's estimate of market rent for an apartment in the conventional marketplace.

**Garden apartments** - two- or three-story multifamily housing development that features low density, ample open-space around buildings, and on-site parking.

**Group quarters (GQ)** - the Census Bureau classifies all people not living in households as living in group quarters. There are two types of group quarters: institutional (for example, correctional facilities, nursing homes, and mental hospitals) and non-institutional (for example, college dormitories, military barracks, group homes, missions, and shelters).

**High-rise** - a tall building, usually having more than ten stories in apartment buildings.

**Household** - a household includes all the people who occupy a housing unit as their usual place of residence.

**Household trends** - changes in the number of households for a particular area over a specific period of time—which is a function of new household formations (e.g. at marriage or separation), and decreasing average household size.

**Housing Finance Agency (HFA)** - state agency responsible for financing housing and administering assisted housing programs.

**HUD Section 8 program** - program administered by HUD and targeted to low- and very-low income families who pay the higher of either 30 percent of their adjusted income or 10 percent of their gross income on rent. Many HUD § 8 apartments are reserved for the elderly, and a small portion are specially designed for the mobility impaired.

**HUD Section 202 program** - units designed for elderly or disabled low- and very-low income persons. Developed by non-profit entity.

**HUD Section 236 program** - program targeted to lower-income families who pay a set basic rent, or 30 percent of their adjusted income on rent, whichever is higher (but no exceeding the market rent).

**Infrastructure** - services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure can include public and private facilities.

**Low income** - as applied to most housing programs, household income below 80 percent of the local area median income, as defined by HUD.

**Low rise** - a building with one to three stories.

**Market analysis** - the synthesis of supply and demand analysis in a particular market.

**Market area** - the geographical region from which the majority of demand and the majority of competitors are drawn is considered the market area, or primary market area. A secondary market may be that area beyond the primary market area from which a certain amount of demand and competition may be drawn.

**Market vacancy rate** - proportion/percentage of apartment units in any market which are unoccupied.

**Metropolitan statistical area (MSA)** - a geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

**Mid-rise** - a building with four to nine stories.

**Multi-family housing** - structures that contain more than five housing units.

**Neighborhood** - a segment of a city or town with common features that distinguish it from adjoining areas.

**Public Housing or Low Income Conventional Public Housing** - HUD program administered by local (or regional) Housing Authorities which serve low- and very-low income households with rent based on the same formula used for HUD Section 8 assistance.

**Population trends** - changes in population levels for a particular area over a specific period of time—which is a function of the level of births, deaths, and net migration.

**Reasonable marketing and management** - professional program to acquaint potential tenants with a particular product and retaining them after their agreement to rent.

**Redevelopment** - the redesign or rehabilitation of existing properties.

**Rent overburden** - circumstances where renters devote more than 30 percent of their income to housing costs.

**Rental housing demand** - demand for rental housing--which may be derived from population and household growth and demand from existing rental households who would consider moving to any proposed development.

**Single-family housing** - a dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

**Special needs population** - specific market niche which is typically not catered to in a conventional complex. This population should exhibit certain criteria which can be well-defined and are reasonably quantifiable, in order, for example, to assess the need and demand from this source.

**State data center (SDC)** - a state agency or university facility identified by the governor of each state to participate in the Census Bureau's cooperative network for the dissemination of census data.

**Subsidy** - below market rent charged to a tenant (usually in an income group below a specified threshold) that is a function of a particular financing program.

**Substandard conditions** - housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities or overcrowded conditions (more than one person per room, on average).

**Target population** - market niche a development will appeal to or cater to.

**Tenant** - one who rents from another.

**Tenure** - refers to the distinction between owner-occupied and renter-occupied housing units.

**Townhouses** - single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a rowhouse.

**USDA/Rural Development (RD) program** - formerly the Farmers Home Administration Section 515 rural rental housing program. Here, low interest (1 percent) loans are made to owners to reduce rents (including utilities) paid by low-income tenants. The program serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). In many cases project-based rental assistance is available and very low income tenants pay 30 percent of their adjusted income on rent and utilities.

***Very low income*** - household income below 50 percent of the local area median, as defined by HUD.

***Zoning*** - classification and regulation of land by local governments according to use categories (zones); often also includes density designations.

**Market Analyst Certification and Checklist**

I understand that by initializing (or checking) the following items, I am stating those items are included and/or addressed in the report. If an item is not checked, a full explanation is included in the report.

The report was written according to DCA's market study requirements, that the information included is accurate and that the report can be relied upon by DCA as a true assessment of the low-income housing rental market.

I also certify that I have inspected the subject property as well as all rent comparables.

Signed:



Date: June 28 2007

**A. Executive Summary**

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Appropriateness of interior and exterior amenities including appliances	Page	2
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**B. Project Description**

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\* PHA properties are not considered comparable with LIHTC units

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**K. Comparison of Competing Properties**

Separate Letter addressing addition of more than one competing property